trust for the vendee.[19] Similarly, in insurance the purchaser,[20] and not the vendor,[21] is regarded as the sole, unconditional owner under a condition providing that the policy shall be void unless the assured has such an interest. In view, therefore, of this equitable ownership arising from the mere contract relation, the fairest rule — that adopted in England [22] and in the majority of jurisdictions in this country [23] — lays the risk of loss from the moment of the contract upon the purchaser.

As each of these three rules seems to find some support in the New York cases,[24] it is noteworthy that the latest decision in that jurisdiction, though on its facts sustainable on the test of possession, expressly adopts the prevailing rule. *Sewell* v. *Underhill*, 197 N. Y. 168 (Ct., App.).

RECENT CASES.

AGENCY — AGENT'S LIABILITY TO THIRD PERSONS — WARRANTY OF AUTHORITY BY AGENT. — The defendant employed solicitors to defend him in an action for libel, and requested the plaintiff to address further communications to them. He was thereafter adjudged insane. In ignorance of this fact, the solicitors continued to act as the defendant's attorneys, until the plaintiff, learning the circumstances, moved that the action be struck out and that the solicitors pay the costs. *Held*, that the motion be granted. *Yonge* v. *Toynbee*, 26 T. L. R. 211 (Eng., Ct. App., Dec. 21, 1909).

The leading case on the question raised by the principal case merely held that an agent impliedly warrants that he has not exceeded his authority. *Collen* v. *Wright*, 7 E. & B. 301. But this doctrine has been applied to the case of an agent professing to have authority to make a contract which his principal would have been unable to make. *Richardson* v. *Williamson*, L. R. 6 Q. B. 276. It has also been extended so that persons who in fact have no authority whatever, are held to warrant that they have such authority as they profess. *Starkey* v. *Bank of England*, [1903] A. C. 114. Inconsistently with this development of the doctrine, it had previously been held that a person who had been an agent does not warrant that his authority has not been terminated by operation of law, as by the death or insanity of his principal. *Smout* v. *Ilbery*, 10 M. & W. 1; *Salton* v. *New Beeston Cycle Co.*, [1900] 1 Ch. 43. Although in these cases the facts on which the agent's

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[19] Thus if a statute gives dower in equitable estates, the widow of the vendee has dower. Thompson *v.* Thompson, 1 Jones (N. C.) 430. Conversely, the widow of the vendor has none. Dean's Heirs *v.* Mitchell's Heirs, 4 J. J. Marshall (Ky.) 451. The vendee's heir, rather than his personal representative, is entitled to a conveyance. Milner *v.* Mills, Moseley 123. The purchase money goes to the vendor's personal representative, not his heir. Green *v.* Smith, 1 Atkyns 572. The legal title passes under a devise by the vendor of his "trust estates." Lysaght *v.* Edwards, 2 Ch. D. 499.

[20] Pelton *v.* The Westchester Fire Ins. Co., 77 N. Y. 605; Dupreau *v.* Hibernia Ins. Co., 76 Mich. 615.

[21] Hamilton *v.* The Dwelling House Ins. Co., 98 Mich. 535.

[22] See Paine *v.* Meller, *supra;* Poole *v.* Adams, 33 L. J. Ch. N. S. 639. An early *dictum* was *contra.* See Stent *v.* Bailis, 2 P. Wms. 217. *Cf.* Bacon *v.* Simpson, 3 M. & W. 78; Taylor *v.* Caldwell, 3 B. & S. 826.

[23] See Marks *v.* Tichenor, *supra;* Marion *v.* Wolcott, 68 N. J. Eq. 20; Woodward *v.* McCollum, *supra.*

[24] See Gates *v.* Smith, 4 Edw. Ch. 702; McKechnie *v.* Sterling, 48 Barb. 330; Clinton *v.* Hope Ins. Co., 45 N. Y. 454; Wicks *v.* Bowman, 5 Daly 225; Pelton *v.* Westchester Fire Ins. Co., *supra;* Smyth *v.* Sturges, 108 N. Y. 495; Goldman *v.* Rosenberg, 116 N. Y. 78; Listman *v.* Hickey, 65 Hun 8.

authority depended were equally known by both parties, that seems an insufficient ground for distinction. *Starkey* v. *Bank of England, supra. Contra, Newport* v. *Smith*, 61 Minn. 277. An agent can escape liability only by expressly bringing home to the party with whom he contracts his intention not to warrant his authority. *Lilly, Wilson, & Co.* v. *Smales, Eales, & Co.*, [1892] 1 Q. B. 456. So the principal case seems correct in overruling *Smout* v. *Ilbery*.

BANKRUPTCY — INVOLUNTARY PROCEEDINGS — JOINING ADDITIONAL CREDITORS IN PETITION. — A filed a petition in involuntary bankruptcy against B, alleging that B had less than twelve creditors, and naming as an act of bankruptcy a preference given to the defendant. The defendant's answer disclosed that B had more than twelve creditors. The requisite number of creditors then joined with A in an amendment which was filed more than four months after the commission of the act of bankruptcy. *Held*, that the amendment relates back to the date of filing the original petition. *First State Bank of Corinth* v. *Haswell*, 174 Fed. 209 (C. C. A., Eighth Circ.).

A petition in involuntary bankruptcy can be amended in minor particulars at the discretion of the court according to the general rules governing amendments of pleadings. *Armstrong* v. *Fernandez*, 208 U. S. 324. Section 59 *f* of the Bankruptcy Act of 1898 provides that "creditors other than the original petitioners may at any time enter their appearance and join in the petition." Under this section it has been repeatedly held, in accord with the principal case, that additional creditors can be joined to cure a jurisdictional defect in the petition more than four months after the commission of the act of bankruptcy. *In re Romanow*, 92 Fed. 510; *Ryan* v. *Hendricks*, 166 Fed. 94. This provision seems unfortunate, as it apparently deprives the court of all discretion in permitting the intervention of additional creditors in the petition, and it would seem that an utterly worthless petition filed by persons who are not creditors at all, may be cured by joining real creditors after the four months' period has elapsed. The decisions that additional creditors cannot be joined more than four months after the act of bankruptcy if the jurisdictional defect appears on the face of the petition seem questionable. See *In re Stein*, 130 Fed. 377; *In re Bedingfield*, 96 Fed. 190.

BILLS AND NOTES — PURCHASER FOR VALUE WITHOUT NOTICE — PLEDGEE AS INNOCENT PURCHASER. — The plaintiff made a note payable to the order of his agent for the purpose of negotiation. After telling the plaintiff that the note had been destroyed, the agent without indorsing it, pledged it for a personal loan to the defendant who took it in good faith. The plaintiff asked that the defendant be restrained from suing and that the note be canceled. *Held*, that the decree will not be granted. *Sublette* v. *Brewington*, 122 S. W. 1150 (Mo., Kan. City Ct. App.).

When a note payable to order is transferred without indorsement, the transferee takes subject to all equities attached to it, even though he is a *bonâ fide* purchaser for value. *Goshen National Bank* v. *Bingham*, 118 N. Y. 349; *Southard* v. *Porter*, 43 N. H. 379. The Negotiable Instruments Law is to the same effect. See BRANNAN, NEG. INST. LAW, §§ 52, 58. The plaintiff can, however, disregard the note and recover on the contract created by the agency. *Harper* v. *National Bank*, 54 Oh. St. 425. See *Ducarrey* v. *Gill*, M. & M. 450. But as the note in the principal case was payable to the order of the agent, it would seem that a transfer made without indorsement was not within the scope of his authority. Accordingly the principal would not be bound thereby; for an agent to sell has no authority to pledge. See *Warner* v. *Martin*, 11 How. (U. S.) 209, 224. Then too, the agency, which was solely for this special purpose, seems to have been terminated by the agent's telling his principal that the note was destroyed. No notice of the revocation in such cases is necessary. *Watts* v. *Kavanagh*, 35 Vt. 34. Therefore the subsequent wrongful act of the agent could not bind the principal. *Fuentes*